

HOUSE BILL REPORT

HB 1040

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to clarifying and prescribing penalties for gambling under the age of eighteen.

Brief Description: Clarifying and prescribing penalties for gambling under the age of eighteen.

Sponsors: Representatives Wood, Alexander, Simpson, Green, Hudgins, Conway and Kenney; by request of Gambling Commission.

Brief History:

Committee Activity:

Commerce & Labor: 1/20/09, 1/30/09 [DPS].

Brief Summary of Substitute Bill

- Makes underage gambling a civil infraction and provides that winnings must be forfeited.
- Allows minors to play bingo, amusement games, and raffles, as authorized by rule.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Crouse, Green, Moeller and Williams.

Staff: Joan Elgee (786-7106)

Background:

Under the Gambling Act (Act), the Washington State Gambling Commission (Gambling Commission) regulates wagering on activities such as social card games, bingo, raffles, amusement games, punch boards, pull-tabs, and fund-raising events.

Several sections of the Act address minors and gambling. A proviso in a law allowing dice

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rolls and coin bets to determine who will pay for food, drink, or music prohibits minors from engaging in wagering activities permitted by the Act. Punch board and pull-tab chances may not be sold to minors. School-age minors are restricted from some amusement game locations and games during school hours and after certain hours.

A Gambling Commission rule generally prohibits minors from gambling. Exceptions allow minors to:

- play licensed bingo games if accompanied by an adult family member;
- play bingo at agricultural fairs or school carnivals; and
- play amusement games.

Minors may also sell raffle tickets for an organization whose primary purpose is the development of youth.

A licensee who allows minors to illegally gamble is subject to sanction. No penalty exists, however, for minors who illegally participate in gambling.

A civil infraction is a penalty for a minor offense. Monetary penalties range from \$25 to \$500. A minor who purchases or possesses cigarettes, for example, commits a class 3 civil infraction and is subject to a fine of up to \$50 or up to four hours of community restitution, or both. Persons under the age of 21 who possess liquor are guilty of a gross misdemeanor and persons under the age of 18 who purchase a lottery ticket are guilty of a misdemeanor.

Summary of Substitute Bill:

A new section of the Act addresses minors and gambling. It is illegal for minors to play in authorized gambling activities including punch boards, pull-tabs, card games, and fund-raising events. Minors may participate in bingo, amusement games, and raffles but only as provided by Gambling Commission rule.

A minor who attempts to, or engages in, prohibited gambling commits a class 2 civil infraction and is subject to a fine of up to \$125, up to four hours of community restitution, and court costs. The minor also may not collect any winnings or recover any losses arising from illegal gambling. Any money or thing of value obtained by or owed to the minor as a result of the illegal gambling must be forfeited to the Department of Social and Health Services Division of Alcohol and Substance Abuse and used for youth problem gambling awareness, prevention, and/or education.

Employers may conduct an in-house controlled purchase program for the purposes of employee training and employer self-compliance checks. Employees must receive a written description of the program, which must state the actions an employer may take as a consequence of an employee's failure to comply with company policies regarding unauthorized persons engaging in gambling activities during a controlled purchase program. An employee who commits a violation under a controlled purchase program may not be subject to criminal or administrative prosecution. A minor who participates in a controlled purchase program is not subject to a civil infraction.

Substitute Bill Compared to Original Bill:

The substitute clarifies that forfeiture applies only to money or things of value obtained by or owed to the minor as a result of the illegal gambling.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Currently, the owner takes the hit if a minor gambles and the minor is not held accountable. The fine is *up to* \$125. The bill creates a deterrent for minors to engage in gambling. Problem gambling costs \$80 million per year. Up to 80 percent of minors have engaged in gambling and minors tend to become addicted to gambling at a higher rate than adults. This bill will strengthen families by clarifying penalties for minors. The controlled purchase programs authorized in the bill will be helpful.

(Opposed) None.

Persons Testifying: Representative Wood, prime sponsor; Amy Hunter, Washington State Gambling Commission; Russell Johnson, Family Policy Institute of Washington; and Dolores Chiechi, Recreational Gaming Association.

Persons Signed In To Testify But Not Testifying: None.